

We're a nation in danger. We're doing everything we can in our power to confront the danger. We're making good progress in protecting our people and bringing our enemies to account. But one thing is certain: We'll keep our focus; we'll keep our resolve; and we will do our duty to best secure our country.

Thank you for listening.

NOTE: The address was recorded at 8:51 a.m. on August 6 in Kennebunkport, ME, for broadcast at 10:06 a.m. on August 7. The transcript was made available by the Office of the Press Secretary on August 6 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks in a Discussion at Northern Virginia Community College in Annandale, Virginia

August 9, 2004

The President. Thank you for being here.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all. Okay. Thank you all for coming. Please be seated.

Thanks for coming. I appreciate the warm welcome. I want to thank you all for giving me a chance to come and explain why I want to be your President for 4 more years.

We've done a lot since I got elected. We, the country, have worked together. It is—and we've accomplished a lot, and we've been through a lot. It's been tough times. The only reason to look backward is to best determine who to lead us forward. So today I'm going to talk about some ideas as to how to make this country a safer, stronger, and better place for every citizen, for every single person who lives in this country.

First, I'm sorry that Laura is not here. She's out campaigning. I tell the people, in front of these enthusiastic and large crowds we've been having, that, you know, probably the wisest reason to put me back in there is so that she'll be the First Lady for 4 more years.

I'm running with a good man. I admit it, that Dick Cheney is not the prettiest face on the ticket. [Laughter] But that's not why I picked him. I picked him because of his sound judgment, his experience, his ability to do the job.

I want to thank Dr. Bob Templin for allowing us to use this important facility. I say "important;" it's because the community college system is an integral part of making sure that this country is a hopeful country. I'll tell you why. Part of the reasons I'm seeking the Presidency again is because I understand that if we use our community college system wisely, people will be trained for the jobs which will exist. See, in order to keep jobs here in America, we've got to have a workforce that is capable of filling the jobs of the 21st century. And one of the crucial links in making sure people have the skills necessary to fill the jobs that are coming is the community college system. And Bob understands that. I appreciate you being here, Doc. Thanks for giving us a chance to come by.

I want to thank my friend Senator George Allen for being here. I appreciate you coming. I want to thank Frank Wolf and Ed Schrock. I appreciate Frank's concern and dedication for those who need American help. He understands what I know, that we have a responsibility in the world to help those who hunger and those who are afflicted by disease and those who suffer under tyranny. And I appreciate Frank's deep concern not only about the citizens of this State and our country but also the deep concern about those to whom we can deliver help. And we are. Just remember, when people talk about America, just remember they're talking about a country which is leading the fight against HIV/AIDS, not only here at home but on the continent of Africa.

And I appreciate Ed coming over. Thanks for being here, Ed. I appreciate your leadership as well. The attorney general is with us today. General, I'm proud you're here. Thanks for coming.

We've got some of our citizens up here because we're going to talk about a crucial aspect of our vision, which is how to encourage an ownership society to flourish in America. I'm going to get to that in a minute.

Before I do, I want to talk about a couple of other points. One is that we're making progress in spreading the peace. See, we know that a free society is going to be a peaceful society. We also know that freedom is not our country's gift to the world; freedom is the Almighty God's gift to each person in this world. And that's why—that's why over the next 4 years, we'll continue to work to spread freedom, for our own security and for the sake of others.

We've done some hard work over the past 3 years. We must never forget the lessons of September the 11th. First of all, the enemy that we face is cruel. Unlike Americans, they don't have a conscience. They're willing to kill innocent people in order to shake our will and our resolve. As we work to secure our country, we must never forget the nature of the people. And those people cannot be negotiated with. You can't reason with them. You can't sit down and say, "Look, why won't you change your ways?" That's not the way they think. And your President must clearly understand that. That's why it's important for us—that's why over the next 4 years, we will engage them in places like Iraq, Afghanistan, and elsewhere so we do not have to face them here at home.

Secondly, when this country speaks, it better mean what it says, in order to make the world a more peaceful place. In other words, when we say things, we must mean what we say. And when I said that if you harbor a terrorist, you're just as guilty as the terrorist, I meant exactly that. And that's why we made the decision—a tough decision, by the way; nobody wants to commit kids to war. That's what you got to understand. It's the hardest decision a President can make, and you only do so if you're convinced it's going to lead to peace.

It's a different kind of war we're in, and therefore, we had to say clearly to those that were providing safe haven that you're going to be held accountable as well. Because, remember, Al Qaida was training in Afghanistan. They had taken over the country. We could not allow that to continue for our own security and for the sake of the people who lived underneath the brutal dictatorship of the Taliban. And so thanks to our United States military and our friends and allies, Af-

ghanistan is now free. Afghanistan is an ally. Afghanistan is an ally on the war on terror.

I'll tell you something really interesting—two things I want to share with you about Afghanistan. I can remember earlier in the spring, I think it was, people were talking about how maybe people aren't going to vote. Don't you remember, there was some serious terrorist attacks on women, in particular, that had got their registration cards and were in the process. The world was kind of predicting people weren't going to show up to vote. Turns out, over 8 million—I think the number is 8 million—Afghan citizens have registered to vote, far exceeding expectations. People want to be free. People want to be free. They want to live in a free society. They want to be able to exercise their rights as a human being. It's a universal desire and a universal love.

Secondly, when I was in Cleveland a while back—this is like the last couple of weeks—I've been traveling a lot, so it's kind of hard for me to remember exactly where I've been. *[Laughter]* I went to the International Children's Game. I helped kick it off. And I was there speaking to the athletes, and right to my right—I'll never forget it—was the Afghan girls soccer team. Now, let me tell you what's interesting about that. They would not have been in the United States—they wouldn't even have been playing soccer under the Taliban. These people were so brutal, so dark in their vision that many young girls didn't have a chance to be educated.

Not only do we have an ally in the war on terror, there is a more compassionate and decent society growing in Afghanistan, which is in our interests, and it's in the world's interests.

As the American people look at this election, they must take a look at the candidates and determine who best understands the lessons to be learned from September the 11th. Another lesson is, is that we must deal with threats before they fully materialize. In this world of threats to our homeland, in this world where there are folks who cannot stand our country and our way of life, we must deal with threats. It used to be we didn't have to. Now you just can't hope they go away.

They must be dealt with—hopefully, diplomatically; hopefully, we can cure things, problems peacefully. That ought to be the first priority of any President. However, if diplomacy fails, we must be a country that is willing to take action to defend ourselves.

I want you to remember, Saddam Hussein was a threat; he was a clear threat. He had used weapons of mass destruction against his own people. He had terrorist organizations in his country. He was a sworn enemy of the United States of America. He is a person that invaded countries in his neighborhood. We all looked at the intelligence. I looked at it. Members of Congress from both political parties looked at it. My opponent looked at it. We all came to the same conclusion: Saddam Hussein was a threat. The United Nations Security Council—the U.N. Security Council concluded Saddam was a threat and passed a resolution unanimously which said, “Disarm, disclose, or face serious consequences.” That’s what the free world said.

And he deceived the world again. I say “again” because that’s what he’d been doing for a decade. And then he deceived the inspectors. Remember, with that period of time, we said, “Oh, let the inspections work.” We were all for that. We wanted the inspectors to work. But it was clear that he was deceiving them. So I had a choice to make, and that is, whether or not to trust a man who had used weapons of mass destruction, somebody who had used—somebody who had defied the free world. My choice was, do I forget the lessons of September the 11th, or do I take actions necessary to defend our country. And given that very difficult choice, I chose to defend America. I will do so every time. *[Applause]* Thank you all.

We didn’t find the stockpiles that we thought we would find. Everybody thought they would be there. We haven’t found them yet. But he did have the capability of making weapons. Knowing what I know today, I would have made the same decision. We couldn’t afford to take the chance that a sworn enemy of America would share capabilities with an enemy which hates us. That’s a chance we couldn’t afford to take.

I’ll tell you an interesting story—and by the way, I think the candidates for President

must say yes or no, whether or not they would have made the same decision.

I tell the story about the seven men that came to see me in the Oval Office. They had had their right hands cut off by Saddam Hussein because his currency had devalued and he was looking for a scapegoat. And they had a X burned in their forehead as well, to brand them as enemies of the state, I guess; I don’t know what the symbol was. But they came to see me in the Oval Office. Needless to say, it was a powerful moment. The fellows walked in and were just overwhelmed by the majesty of a shrine to democracy, and it was—imagine, seeing the President of the United States. And I was emotional because the contrast between what we believe and what Saddam Hussein did to his people is just so amazing, because these people had just come from Houston, Texas, where they had received new hands because of the generosity of an American citizen named Marvin Zindler. It was just a clear contrast between the brutality of a man who whimsically could have somebody’s hand cut off and the great generosity and love of compassion of the American citizens who are willing to help heal somebody, no matter their religion or where they’re from.

A free Iraq is going to change the world. For those of you with young kids, I want you to think about a world that is going to be much more peaceful, a country more secure because, during these difficult days, we’re standing true to our firm belief and our ideals that freedom equals peace. And it’s hard work. It’s hard work. It’s hard work because there are people in that—in the Middle East that can’t stand the thought of a free society. It just scares them. And they don’t scare us. They’re tough, but we’re resolute because we understand the charge of history, the charge that history has given us. We have a duty. We have a duty to keep our word. We have told the Iraqi people and the people of Afghanistan that we’re with you. And they’re watching carefully. They’re watching carefully to determine whether or not they can take a risk for freedom, or whether or not America’s word doesn’t mean anything.

I’m convinced that these are historic times. These are times when people will look back and say, thank goodness the American people

stood true to our belief that liberty is a transforming moment in the history of the world.

A couple of other points. I talk about a stronger and better America; it means our economy needs to be strong. The economy is growing, and there's more to do. One of the things we better make sure is we don't raise the taxes on the people. This is going to be a campaign issue. I'm going to talk about good education policy to help train workers. I'll talk about energy policy to make sure we're not—that we're less dependent on foreign sources of energy. Of course, I'm going to talk about liability reform, medical liability reform. I'll talk about tort reform, so our business people can thrive and hire people.

I mean, the economy is strong. It's getting stronger. And there are policies we need to put in place to make sure this is the best place in the world to do business. If you want jobs to stay in America, like I do, this better be a place where people feel comfortable taking risks and expanding the job base. So I've spent a lot of time talking about that in the course of the campaign.

Today we're going to talk about how to encourage an ownership society in America. Listen, these are changing times. If you really think about it, they are much different from the times when we came up. Most of our dads—at least guys my age—dads worked for one company. Mine did move around a little bit, but—[laughter]. Georges generally worked for one company. [Laughter]

At any rate, when we think about it, it was a different society back a couple of decades ago because a person stayed with the same company, had the health plan from the company, retirement plan from the company. Now people are moving around. It's a different world. And there is some uncertainty in that kind of world. You've got moms and dads that are both working, sometimes out of the house. And the economy is changing, and therefore, Government policy ought to change with the times. And one way to bring stability and security into a person's life is to encourage ownership. See, if you own and control your own health care plan, you can move from job to job without worrying as to whether or not you're going to get health coverage for your family. If you own your

own home and building equity in your own home and you're changing from job to job, it provides great security and relief.

And so we're going to talk about different forms of ownership here. But the point here is, I want you to understand that over the next 4 years we'll be working to build a culture of ownership in America. We want more people owning things in this country.

Let me put it to you bluntly. In a changing world, we want more people to have control over your own life. And that's a difference—there's a difference in philosophy, when you think about it. A lot of the Government policies are, you know, as I like to put it: We'll give you the orders, and you pay the bills. [Laughter] If you really think about it, there's a philosophical divide here in this campaign. My judgment is, Government ought to be empowering people by giving them more control over their lives. And we'll talk about some practical ways to do that.

Now, look, one of the things we'll always work to do is to take care of those people who cannot help themselves. As a matter of fact, a proper policy of Government is to give people the tools necessary to be able to realize their own dreams. That's why education is vital. That's why the No Child Left Behind Act must be strengthened. It's making a big difference. I'm telling you, when you start asking the question, "Can you read and write and add and subtract?"—all of a sudden people start learning better. There's accountability. It holds people to account. We've got to end this—it's a mediocre system when you quit on kids basically because of the color of their skin, you know? We're not going to do that anymore in America.

In terms of health care, there's some smart things we can do. We've got to recognize there are people who can't help themselves. That's why these health centers we've opened up around the country make eminent sense—so primary care for low-income people can be delivered at these centers, as opposed to emergency rooms.

There are things we're doing throughout our administration but all aimed at encouraging people to help themselves and eventually being able to own something too. And so what I want to talk to you today about

is some interesting examples of what I'm saying.

We're going to start off with Sharon Rainey. She's sitting right here. She's an entrepreneur. Isn't that a lovely word? You know, entrepreneur—we want entrepreneurs. See, the job of Government is not to create wealth but to create an environment in which the entrepreneurial spirit is strong and alive and well. And it is under the Bush administration and will continue to be.

Ready to go? All right. Sharon started her own business. True or false?

Ms. Rainey. True. *[Laughter]*

The President. This is a warm-up. I'm not even a lawyer, and here I am leading the witness. *[Laughter]*

Ms. Rainey. She needs the leading. *[Laughter]*

The President. Tell us what you do.

[Ms. Rainey made brief remarks.]

The President. See, let me stop you there. First of all, what Government cannot do is encourage Sharon to start her own business. *[Laughter]* We can't tell her to. I beg your pardon, we can encourage her to, by good policy; we can't tell her to. See, you can't make her be an entrepreneur. Secondly, she's got to design the product herself. She's got to be smart enough to figure out how to meet demand, which she did. But one thing we can do is not overtax her.

Most new jobs in America are created by small businesses. That's really important for people to understand. I hope you know that. The tax relief we passed—the well-timed tax relief we passed, I might add—recognized the importance of small businesses in our society. See, most people probably do not understand that, by far, the vast majority of small businesses are organized like Sharon's business is organized and pay individual income taxes. They're called Subchapter S's or, in this case, an LLC or a sole proprietorship. And therefore, when she files her business tax returns, she pays individual income taxes. And therefore, when you hear us talking about providing tax relief to individuals, it ought to be providing tax relief to individuals and to the small-business sector of America. See, we want taxes low for Sharon so her business, which has now gone from not-for-

profit to for-profit—that's always a good sign, by the way, if you're a businessperson. *[Laughter]* Isn't that right?

Ms. Rainey. Yes, sir.

The President. You can say "for-profit." We want her business to flourish. She hired a person recently, I understand—or not?

Ms. Rainey. I've hired three people recently. I've now gone up to six part-time employees.

The President. Let me talk to you about—see, she hired three. And when the entrepreneurial spirit is strong in the country, the Sharons of America hire three people here, three people there, and all of a sudden it starts to amount to something. And it's—that's why the people are finding work, because the small-business sector of the country is strong.

I asked Sharon to come because I think it's such a wonderful example of somebody who created her own business because of her own ingenuity and her own drive. And now the role of Government is not to—is to make sure that the environment is such that she can continue to grow. She's got to figure out the right product, don't get me wrong. There are no guarantees in the business world. But I can tell you one guarantee: If we run the prices up on—run the taxes up on Sharon, it's going to be hard for her to expand.

That's why you've got to be careful about this rhetoric, "We're only going to tax the rich." You know who the—the rich in America happen to be the small-business owners. That's what that means. Just remember, when you're talking about, oh, "We're just going to run up the taxes on a certain number of people." First of all, real rich people figure out how to dodge taxes. *[Laughter]* And the small-business owners end up paying a lot of the burden of this taxation. Third, I want to make another point. We shouldn't be taking more than 35 percent of anybody's money anyway, Federal taxes ought to be—*[applause]*.

Sharon is a small-business owner. We want more people owning their own small business. There's some incredibly helpful—hopeful signs in this country. The number of minority small-business owners are increasing—is increasing. It's—the number is going up, and that's really important and hopeful.

The number of women-owned businesses is increasing, and that is, I think, really positive news for the country. We want people to say, "This is my business; I own my business," just like we want people saying, "I own my own home."

And so, therefore, policies over the next 4 years will be to encourage others to own their own home, to expand the homeownership in America. Right now the homeownership rate is the highest ever. We want more people owning their own home.

And so we've got Kevin with us, Kevin Brault, first-time homeowner. He's a fellow that walks out for the first time and says, "Welcome to my home." So what's it like to say, "Welcome to my home"?

Mr. Brault. It feels great. So I purchased my home, first home, in November of 2001. And at that time, it was close to 2 months after September 11th. So I was a little hesitant as to, you know, whether the economy was going to stay strong, what was going to happen in this area, because my home is just a couple miles away. So I went forward and decided to take that step, to create my own ownership and create my own net worth. And it's been a great decision. Since then, the net worth of the home has increased over 50 percent. Then with interest rates coming down last summer, I was able to refinance from 6.5 percent to 5 percent, thus saving over \$300 a month on my mortgage.

The President. That's good, yes. You know, when a homeowner starts talking about his own home—in this case, he starts talking about, "My value has gone up"—[laughter]—that means his worth. That means that in a changing time, it is helpful to know that your portfolio, your asset base, that which you own, has got a little more value to it. It kind of changes your attitude, doesn't it, a little bit. You know something, it changes it so much, he's getting married. That's good. Where's Lisa?

Mr. Brault. Right there in the blue shirt.

The President. You've probably got some ideas about how to remodel the home, don't you?

Mr. Brault. Big time, absolutely.

The President. That's a word we use in this administration a lot, "big time." [Laughter] Anyway, this man got relief from taxes,

and I think it says you saved about \$800 in '03, same amount in '04, because when we provided tax relief, we said, "If you pay taxes, you get relief." That's not the way sometimes tax relief works in Washington. Sometimes it's, "We're going to make sure only certain people get tax relief." If you're going to provide relief, it's only fair that everybody ought to get relief. That's why we reduced all rates, which seems to make sense. And old Kevin Brault here got him \$800. I like to put it this way: Once you set priorities at the Federal level, Kevin Brault can spend his own money better than the Government can. Right, Kevin?

Mr. Brault. That's right.

The President. I was hoping that would be your answer. [Laughter] And if the tax relief isn't made permanent, his taxes go up; so do Sharon's. That's why we're having this debate. So does yours; that's right. That's why we're having this debate in Washington, DC. You see, when Congress passed the tax relief, parts of the tax relief plan were set to expire. If Congress doesn't act, the child credit is going to go down, which means you're going to—if you've got a child, you're paying higher taxes. The marriage penalty goes up if Congress doesn't act, which means if you're married, you're going to pay higher taxes. The 10-percent bracket goes away, which means if you're benefiting from the 10-percent bracket, you're paying higher taxes. We don't need to be raising taxes on the American people right now. The taxes ought to be lower, to keep the economy growing. Good job, Kevin.

Let me talk to you about savings for retirement. We've got Susie and Chris Ensign with us today. They're savers. Good policy encourages people to save. And one of the interesting questions that we'll be confronted with in Government when the baby boomers begin to—really begin to retire is how to make sure the Social Security system is strong so that the Ensigns will be able to see something from Social Security. This is a very important issue for young workers. Old guys like me don't need to worry about it because the system is solvent for those who have retired or are near retirement. What we need to worry about is younger folks, like the Ensigns. And so we're going to talk a

little bit about savings. I want them to share with the people who might be listening how they think about savings, what savings means as a young couple. And maybe they've got some suggestions on Social Security, how to strengthen the system, how to make it fulfill the promise—better fulfill the promise that our Government has made.

Welcome. Thank you all for coming. Which one of you going to lead off?

Mr. Ensign. My name is Chris, and this is my wife, Susie.

The President. Right.

[*Mr. Ensign made brief remarks.*]

The President. See, what you're hearing is—that's a very interesting—see, what Chris just said is part of an attitudinal shift towards Social Security that is taking place in the country. When I was coming up, it was pretty well assumed that Social Security would be all right—until people began to calculate the fact that there's a lot of baby boomers who are going to be on the system relative to the number of payers into the system, like Chris. And the fundamental question is, can we change the system by strengthening it, so that Chris can realize there's something available for him after he pays for me? That's really what we're talking about, isn't it?

And what he just said was, he said, look, if you look at the rates of return on the money in the Social Security trust fund, they are so abysmally low that it is impossible—virtually impossible from a fiscal perspective to make the system work without raising taxes on him and his family to the point where it chokes productivity and progress.

And then what he said was, he said, "Well, would Government please consider putting aside some of my own money"—at his choice—in a personal account, an account that he could manage under obviously strict guidelines but could get a better rate of return for his money than that which we're now getting inside the Social Security trust. And by the way, it would be an account that is his own—or their own, that they could then pass on to whomever they wanted to pass it on to. I support the idea of creating a personal saving account for younger workers in order to make sure the system is solvent.

By the way, tax relief provided this family \$2,000 in '03 and '04. I know it doesn't sound like a lot to people inside the Capital, I guess; that doesn't sound all that much, maybe. It's a lot to these people, and it enabled them to take advantage of the increased contribution levels for the IRAs, right? You went from 2,000 to 3,000 for your IRA. That's helpful. In other words, these good folks decided to take the tax relief and add to their savings accounts, which provide security in a changing world.

And so we need to do two things. We need to help people save with good policy on current plans, perhaps simplify the process. There's now a lot of savings opportunities. There are IRAs—this kind of IRA, that kind of IRA—and good policy will be to simplify it and make the rules clear so as to encourage more savings so people have got their own nest egg to help them in a changing world. And then, of course, we talked about Social Security.

I want to thank you all for coming. Good job. You want to say anything?

Mrs. Ensign. [*Inaudible*]

The President. Okay, one other thing we're going to talk about today is health care. I told you we're expanding community health centers so that low-income folks can get primary care. That's important. The Government policies, because of helping States with waiver requests, have expanded SCHIP—those are—that's health care for low-income children. That was an important policy.

We changed Medicare for the better. We strengthened Medicare. Remember, Medicare was a system that said, we'll pay for your hospital stay, in case you've got a heart problem, but we won't pay for the medicine necessary to prevent you from going to the hospital in the first place. That doesn't seem to make much sense, did it? And so we've begun to modernize the system, make it better for our seniors, starting with the drug discount card. By the way, if you're a senior, you need to look into the drug discount cards. They'll help you save money.

Next year we're going to have preventative screenings for the first time in Medicare. Seniors signing up for Medicare will be able to have a checkup, which seems to make

sense for the Government. If you're interested in trying to save money through rational policy, you ought to be checking people early, before it's too late. That's what we're going to start doing in Medicare. And then in '06, seniors will have a prescription drug benefit attached to Medicare, and they'll have the choice necessary to make—to design a program to suit their needs. This is good policy. You might remember the issue of Medicare. Year after year after year, politicians talked about it. This administration got it done.

Most people get their insurance through their business. And small businesses are having trouble paying for health care. That's the problem we've got in the country today. A lot of it has to do with frivolous and junk lawsuits that are running up the cost of health care. By the way, you can't be pro-small-business and pro-trial-lawyer at the same time. You can't be pro-doctor and pro-patient and pro-trial-lawyer at the same time. You have to choose. My opponent made his choice, and he put him on the ticket. [*Laughter*] I made my choice. I'm going to work with Congress for liability reform and for tort reform.

Health savings accounts are a new option for Americans to be able to say, "I own my own health savings account," and the doctor-patient relationship is central to the decision-making process. That's the core of our philosophy. I want—we've got Roger Wells. Rog is a vet who has looked into and utilized a health savings account. I've asked him to come to explain how they work. Health savings accounts are new. Anything new in society, when it comes to health, requires a certain amount of education.

Now, if you're a small-business owner like Sharon is, I want you to listen to these accounts, because part of the problem we have in our society is the cost of health care is too high. These accounts will help reduce the cost of health care for small businesses as well as for individuals.

Roger, you have got a health savings account. Tell us about it.

[*Dr. Wells made brief remarks.*]

The President. Let me tell you what he just said, see if I can try it. I appreciate it.

He buys a catastrophic plan that says the insurance company will pay for anything over \$5,000 of health care coverage. So he's got the comfort of knowing that if something goes terribly wrong, he's taken care of by the insurance company. He then contributes, tax-free, into his own account, \$5,000. So in other words, he doesn't have to contribute anything; he can come out of his pocket. But, nevertheless, there's a tax incentive to do so—so that from zero to \$5,000, he takes care of it.

Now, this is a small-business owner. She can, for her employees, buy a catastrophic plan with a lower deductible and help the employee with the money for the incidentals, for the ongoing daily medical expenses.

But anyway, in Roger's case, he puts the \$5,000 in tax-free; his money earns interest tax-free; and if he needs the money to pay medical expenses in the year, up to \$5,000, it comes out tax-free. Now, if he continues to make good choices—he's from New Hampshire—if he continues walking those mountains of New Hampshire so that he's healthy, and he only spends 1,000 of the 5,000, that 4,000 is his. He can put another 5,000 in next year if he chooses. He can use some of the 4,000 to buy the catastrophic plan. Anyway, my point to you is, is that he gets to decide, as opposed to a program where somebody else is making the health care decisions, an insurance bureaucrat, for example, is making the decisions. And so Roger is now in total charge on a tax-free basis.

These plans will change small businesses. And so small-business owners need to take a look at health savings accounts. It's a way to provide good health coverage for employees at a much lower cost basis than you're probably having to provide now. So I want to thank you for sharing that with us. Go ahead.

Dr. Wells. Can I say that there is one big problem with this program?

The President. Sure.

Dr. Wells. It didn't start 10 years ago.

The President. That's right. Are you a big animal or a little animal?

Dr. Wells. I do horses only.

The President. Horses only?

Dr. Wells. Horses only.

The President. I was going to say, Barney has got him a headache and—[laughter]—you know who Barney is, don't you? [Laughter]

I hope you found this discussion interesting. I certainly did. What we're talking about here is we want people—when you hear me talk about ownership society, that's what I'm talking about, how to help people control their own lives. If you really think about what we're talking about, we're talking about policies that say to the American people, "You're in control of your life, not the Government. The Government is not dictating how you do things; you are."

And I want to thank you all for sharing these with us. I've got time to answer a couple of questions, if you might have some. I'm not—it kind of gives me a chance to warm up for press conferences. [Laughter]

I do want to say something about the Faith-Based Initiative that I talk a lot about. I understand the strength of this country is the hearts and souls of our citizens. Over the next 4 years, I will continue to rally what I call the armies of compassion, because I believe that society can change, one heart and one soul and one conscience at a time, when people who have got love in their hearts put their arm around somebody in need and says, "How can I help you, brother or sister? What can I do to help save your life?"

Listen, there are wonderful Government programs, and they will continue to exist so long as they're producing good results. But one of the things we've got to recognize in this country is that coming out of our churches and synagogues and mosques are programs all designed to help save lives. And our society should not fear allowing faith-based programs to competitively bid for social service grants, if we're focused on changing the country.

I'm running again and asking for your help because I've got a plan to make the country safer. I know what we need to do. We've got a plan to make the country stronger, and we've got a plan to make the country better for every citizen. I'm not talking about a handful; I'm talking about everyone, in every corner of America.

I'll tell you what, let me answer some questions. I'll be glad to answer a couple of ques-

tions, and then I've got to head back downtown to get some work done.

Yes, ma'am.

Education

Q. Yes, education. I'm a fourth grade teacher.

The President. First, let me stop you. Thank you for teaching.

Q. You're welcome. What can you do for our children in public education, private education, that will make a difference in America today?

The President. Here's what we're going to do. We're going to continue to challenge the soft bigotry of low expectations, is what we're going to do. And by that, I mean—let me tell you what that means. That means if you set the bar low, you're going to get lousy results. It starts with recognizing that every child can learn to read and write and add and subtract and that we must not allow systems to develop that just shuffle kids through. That's what's happening; let's be frank about it. We had systems—school systems around this country that evidently didn't think certain kids could learn, so they just moved them on, you know? And guess what happened? When they came out at the end, they couldn't read. And everybody went, "Oops, what went wrong?"

So we've changed that in Washington. We've increased Federal funding. Title I money is up by 52 percent since I became the President. Elementary and secondary school programs are up by 49 percent. Those are healthy increases in spending. But—well, there's more than just spending when it comes to schools. Now we're asking the question, show us. See, for the first time the Federal Government is saying to school districts, we expect to see results. We want our kids reading by—at grade level by the third grade. There's nothing wrong with asking that. It seems like a legitimate request.

And in this program, the No Child Left Behind law, it says that if you are not reading by grade level by the third grade, there's extra help. See, what we know—and the Congressman and the Senator understand this very well—is that we know accountability

systems can be used to change lives, as opposed—you don't use the accountability system to punish people. You use the accountability system to determine where you need extra help. It's a way to determine whether or not the curriculum is working.

Listen, some of the reading programs around the country don't work. They've got—they use the wrong methodology. And we need to know that, don't we? If we expect every child to be learning at grade level, we need to know. And so first thing we've done is, we've changed the whole attitude toward public schools. It's an optimistic attitude. It says, we know every child can read and we expect every child to read, and therefore, why don't you show us? And if not, there will be extra help.

We need to, by the way, bring that attitude to our preschool programs. I believe that—I know there's curriculum available for preschoolers that provide them the basics for reading. And I think our Head Start programs ought to be encouraged to adopt very simple curricula, but based upon the science of reading. My friend Reid Lyons at the NIH is a pro, an expert. He understands how kids learn to read. And therefore, it seems to make sense, since we're spending Federal dollars on Head Start, if as part of the core curriculum of Head Start be to lay the foundation for little kids reading. We need intensive reading programs. You got me started here, and I'm going to keep going.

I've laid out intensive reading programs for kids in junior high and high school. We need to intervene now, before it's too late. We can no longer say, "Gosh, let's hope for the best," because we're now living in a world where if you can't think, it's going to be hard to be a productive worker in the workplace. And so, therefore, this economy is changing; education must change with it.

By the way, we've added a million kids over my administration who've received Pell grants to go to college. That's an achievement; I want to thank the Congress for working with us on that. It says, basically, when you're coming out of high school with the ability to go to college and you're poor, we're going to help you go. See, part of making sure that kids work hard in high school is that they realize there's help coming out of

high school in order to be able to continue to realize their dreams.

No, we're making great progress on education. There's more to do, and that's why I want to continue being the President.

Any other questions here? Yes, ma'am.

Small and Minority Business/Tax Policy

Q. Hi. I'm a woman businessowner, along with my husband. And I'd like to know what encouragement you have for minority business development at a Federal and local level for contracting. Thank you.

The President. Yes. No, I appreciate that. First of all, the SBA is geared up to help small minority businesses. We've increased the number of loans out of SBA by 40 percent, all aimed at spreading the entrepreneurial spirit.

Secondly, the best thing that can happen—I can't speak for local government. You're going to have to call the mayor or the Governor or something like that, anyway. [Laughter] But I can talk about Federal contracting. And the best thing—I think Federal contracting ought to be used to enhance entrepreneurship and small businesses. And therefore, we've got to make sure that Federal contracts are broken down to small—smaller contracts so small businesses have a chance to participate.

By the way, good tax policy—I can't emphasize enough the need to have good tax policy. If you're a small business and your small business is beginning to grow, and the Government runs the taxes up on you, it's going to make it harder to survive, pure and simple. And that's why it's very important for us in this campaign—for people listening to this campaign to remember that when you got about \$2.2 trillion of new money promised to spend, you've got to figure out how to pay for it. Yes, I know how he's going to pay for it: You're going to pay for it. But we're not going to let him. That's why we're going to win the campaign.

Yes.

Iran/North Korea/Cooperation in Foreign Policy

Q. I'm concerned about the nuclear threat coming out of Iran.

The President. Yes.

Q. I was just wondering if you could comment on that.

The President. Well, I appreciate that. He's concerned about Iran, as am I. That's why early in my administration I talked about Iran in vivid terms. First of all, you've got to understand that every situation requires a different response when it comes to foreign policy, and so we tailor our responses based upon the reality of the moment. And first is to make it clear to the world that Iran must abandon her nuclear ambitions. That's part of the role of the United States, and to work with others to send that same message. The IAEA is the agency principally responsible for the Iranian nuclear program. We're working closely with them. We're making sure that we ask the hard questions to the IAEA so they ask the hard questions to the Iranians. We got the Iranians to sign what's called—not we, the world got the Iranians to decide—to sign what's called an additional protocol, which will allow for site inspections that normally would not have been allowed under IAEA. In other words, the ground-work, the ability to inspect as best as possible, is in place.

Secondly, the tactics of our—as you know, we don't have relationships with Iran. I mean, that's—ever since the late '70s we have no contacts with them, and we've totally sanctioned them. In other words, there's no sanctions—you can't—we're out of sanctions. And so we've relied upon others to send the message for us. And the foreign ministers of Germany, France, and Great Britain have gone in as a group to send a message on behalf of the free world that Iran must comply with the demands of the free world. And that's where we sit right now. And my attitude is we've got to continue to keep pressure on the Government and help others keep pressure on the Government, so there's kind of a universal condemnation of illegal weapons activities.

As well, the United States does have an opportunity to speak clearly to those who love freedom inside of Iran, and we are. There is a significant diaspora, here in the United States, of Iranian Americans who long for their homeland to be liberated and free. We're working with them to send messages to their loved ones and their relatives

through different methodology. And one method—and very overt, I might add—we've got radio broadcasts, a new radio broadcast system going into Iran—say, “Listen, we hear your voice. We know you want to be free, and we stand with you in your desire to be free.”

I will tell you, a free Iraq is going to send a clear message to people in Iran as well, that free societies are possible. That's why I say this is an historic moment in our history, and it really is. When you think about it, a free country in the midst of the Middle East will send a very clear signal that freedom is possible. In other words, there are reformers and people who want to be free watching carefully as to whether or not this country, which is the beacon of freedom, is strong enough not to wilt when the pressure gets significant.

I tell this story a lot—I'll share it with you—about my friend Prime Minister Koizumi of Japan. And we were having Kobe beef one day and—it's quite good, I might add, and—[laughter]—this was in Tokyo. And you know what? We were talking about another subject that I'm sure is a concern of yours as well, and that's North Korea. And it was an amazing conversation, when you think about it, wasn't it, that I was talking to my friend, 55 years or so after World War II had ended, about how to keep the peace in a troubled part of the world. We made the decision—I made the decision that, on North Korea, that the kind of bilateral negotiations weren't working. If you might recall, my predecessor thought he had an arrangement with the North Koreans that they did not honor. And it's a lesson that it's important to remember.

So I made the decision to bring other nations in to help send the same message to North Korea. It's a more effective way of doing things if there's more than one voice willing to say the same thing. That's why China is very much involved in the process now, which is helpful. And Japan is too. And so Prime Minister Koizumi and I were talking about how to make sure the six-party talks sent the same message to Kim Chong-il, which is, get rid of your nuclear weapons program and there will be—in a verifiable way that gives us all confidence that he has done

so, and then perhaps there's a way to help them economically.

And during the course of the conversation, I became very thankful because my predecessors believed that Japan could self-govern. If you read some of the editorials and some of the writings right after World War II, there was a lot of doubt as to whether or not a country like Japan could self-govern, could be a democracy. But there were people here who had great faith in the transformation power—the transformative power of liberty and stood their ground. And there I was talking to a duly elected official of Japan about peace.

Someday, an American President is going to be talking to elected officials, an elected official from Iraq, talking about how to keep the peace. Free societies are peaceful societies. And free societies join this fantastic alliance of those of us who long for peace deep in our heart, an alliance of countries willing to work on the tough issues like Iran and North Korea, all aimed at bringing these difficult solutions to a peaceful conclusion.

And anyway, it's a long answer to an important question, but nevertheless, it's one—[*applause*—let me finish; one other thing. It says that good foreign policy works with other countries, and we will. Remember now, one of the dangers of this world is the proliferation of weapons and technologies. And there's over 60 nations involved with the Proliferation Security Initiative, an initiative that we helped put together during my administration. Some 40 nations are involved in Afghanistan. Nearly 30 nations are involved in Iraq. We've got good, strong alliances of people working together. I'm never going to turn over our national security needs to leaders of other countries, however.

Yes, sir. You look like a man with a question.

Q. I drive a school bus, so I don't need your microphone. [*Laughter*]

The President. Okay, good.

Judicial Nominees

Q. [*Inaudible*—concerned about the judicial nominees. I watch it every day on C-SPAN. I'd like to know what—[*inaudible*].

The President. I appreciate that. Listen, his question is about the judicial nominees

and the fact that they're roadblocked in the United States Senate by procedures that—have they ever been used before, George, the filibuster on judicial nominees? Never been used? According to Allen, they've never been used before. [*Laughter*] Not to this extent—he qualified it. [*Laughter*]

But it's a problem, because I think my nominees deserve an up-or-down vote on the floor of the United States Senate. So I guess, you know, they're playing politics. I appreciate your question, because they're playing politics. That's all that is. And I'm picking good people from all walks of life. I named a man to be on the DC District Court, Miguel Estrada, first-generation American citizen, a brilliant man. What a story. He comes over from—comes up from Honduras, learns the language, works hard, got a family that loved him. He's now named for the circuit court and gets turned down. They wouldn't even give him a vote. And that's just pure politics.

You know what the answer to your question is? We've got to elect more Senators who aren't going to play politics with my nominees. I'm going to keep talking about it too. They may think they're going to wear me down; they're not. I'm going to keep talking about it. I'm going to keep telling the people of this country they've got a clear choice when it comes to President. They want people on the court who will strictly interpret the law, they ought to put me back in. If they want somebody who is going to put judges that will try to write the law from the bench, they got the wrong man in George W. I'm not changing, either.

All right, last question. You've got one? Go ahead, and yell her out. Oh, then he better take the mike, then. Yes, put it up there. Say that again so everybody can hear it.

Support for Volunteer Fire Departments/ Trade Policy

Q. I'm from Southside, Virginia, and I've helped the volunteer fire departments a number of years. We've had times raising money. And since you've been in, the Federal money that you appropriated to us, we appreciate it a lot.

The President. You bet, thanks. First of all, he and I share a couple of things in common. We're both voting for me. [Laughter] And we both support volunteer fire departments. I'm a proud supporter of the Crawford Volunteer Fire Department. And you're—what's your volunteer fire department?

Q. Chase City.

The President. There you go. Chase City, Virginia.

Let me talk about rural life real quick. One of the things—are there any farmers here? Yes, there you go. The farm economy is strong. You know why? One, good policy; good tax policy; and secondly—and thirdly, because we're opening up markets. If you're good at something like growing things, like people in Virginia are, they ought to be selling their product overseas in different markets around the world.

Let me tell you real quick about trade policy. There's a lot of talk about it, and the temptation for the other side is to say, "We'll—I'll handle it by becoming economic isolationists." That's no good, to kind of wall ourselves off from the rest of the world. That's pessimistic. And that will make it harder for small businesses to thrive and people to find good-paying jobs. Here's what—here's the reality of trade. Most Presidents believe that we should open up U.S. markets for foreign goods. You know why? Because it's good for consumers. The more opportunities consumers have to choose, the better price they'll get at better quality. That's the way the marketplace works. And that's the policy today, and opening up our markets has been beneficial to U.S. consumers.

And so the fundamental question is, can we get other countries to treat us the way we treat them? That's trade policy. And the answer is, absolutely, we will.

One way you do so is through agreements—is you negotiate free trade agreements. And we've done so for the benefit of U.S. farmers and manufacturers and entrepreneurs and, eventually, workers, because if you're selling product, for example, in Australia—we just got a new deal with Australia—if you're selling products in Australia, you're going to be working in order

to make the product that the Australians are buying.

And the second thing to do is to enforce laws. That's why we've gone after China a couple of times, to say to China, "You must, if you're going to trade with us, be fair about how you treat our people and our products."

Now, you had a question? What is it? Both of you combine your question; then I've got to go back to work. Okay, you've got two.

Taiwan

Q. Yes, I am Taiwanese American, and I am concerned about China has more than 500 missiles against Taiwan. How do you be able to keep the key area of peace for Taiwan and the world?

The President. Yes, we just make it clear to both sides that our policy hasn't changed—"one China" policy based upon the three communiques, and neither side shall unilaterally change the circumstances by which a peaceful resolution will be achieved. And that's just where we'll keep working both sides to see if we can't see that that very important issue be resolved peacefully. It's essential that both sides understand my position as clearly stated, and I've stated it publicly just like I just did, and I will continue to state it. And I'm convinced this issue can be solved peacefully. It's just going to take some time to do so. And we'll continue to work to see to it that it does.

Where is the lady that wanted to ask a question? Do you have the same question he did or another one? Another one. Okay, this is the last question.

Government Fiscal Accountability/ Federal Deficit

Q. Mine is sort of different. I am more concerned about the Government waste. How do you propose to control either domestic waste within the spending, accountability for spending?

The President. Yes.

Q. And also, especially foreign aid. I tend to develop compassion fatigue when it comes to foreign aid when I hear about the U.N. Oil for Food Programme fraud. That's a very big concern—

The President. Yes.

Q. —because I pay taxes, and I expect it to be spent wisely.

The President. I appreciate that. That's a good question. I was hoping somebody would ask that question. [Laughter] Let me talk about budgeting and spending, and then I'll talk about accountability when it comes to spending.

Let me—I'll start with that. I just came from a meeting with Clay Johnson. He's my close friend that—he was my college roommate, actually—who is the "M" in OMB, Office of Management and Budget. And his job as the "M" in OMB is to say to agencies, we expect there to be results-oriented systems throughout your agencies. And we've actually got a scorecard, a management scorecard, of how well agencies are doing with, for example, responding to taxpayers through e-mail, how well they're doing to make sure their programs are actually delivering results. And so we're working hard to see to it that these giant bureaucracies become results-oriented. There are all kinds of ways to measure, and we've got a good measurement system in place to do so.

There is a—look, my job is to submit budgets that will bring confidence to the marketplaces, as well as to the taxpayers. And that means setting priorities and meeting those priorities without overtaxing the American people. And we have done that. I want you to know that—let me put in the context of the deficit.

Yes, we've got a deficit, for three reasons. One, there was a recession. And a recession costs the Treasury money unless there's a corresponding cut in spending. And there wasn't.

Two, there is a deficit because I made the decision to go after the enemy, and we were going to spend whatever money was necessary to defend ourselves. And the Congress supported me, by and large. Some in the Senate didn't support the \$87 billion. [Laughter]

Audience members. Boo-o-o!

The President. But most of them did, guys like George Allen, who said if you're going to put people in harm's way, they deserve the right pay and right equipment.

Thirdly, part of the reason we have this deficit is because I believed in order to get

the economy moving forward, there should be tax relief. And it's working; the tax relief is working. It's going to be one of the interesting arguments in the campaign. I will make the case that it is working, and that you don't need to run up taxes.

Now, when I first came into office, non-homeland, nondefense discretionary spending increased at 15 percent. This year, the budget we've requested from the House and the Senate is—nondefense, nonhomeland spending, discretionary spending, is increasing at less than 1 percent. And so the step one—step one is to set priorities and hold Congress to working with those priorities. And Congress has been very good. Speaker Hastert and Leader Frist have worked very closely with the administration to achieve good top-line budget numbers. So I can say to you that the deficit will be cut in half over the next 5 years, and we've just got to keep working that way.

And so there's two—I kind of took two points from your questions. One was, the overall budget numbers, how does it relate—are we able to contain spending to the point where we can say to the people that this deficit is beginning to decrease? Now remember, the deficit, again, was caused by recession. We're coming out of that—we're out of it. Secondly, it was caused by the war. We're still in the war. And, thirdly, the tax relief helped us generate more revenues.

And by the way, in the midseason—midsession review—I don't know if you saw this, George, or not, but the projected deficit of last February has already been decreased fairly significantly because the economy is getting stronger. And when the economy strengthens, more revenues come into—[applause].

I've got to go back—listen, I've got to get back to the White House and make sure we're spending money wisely. But I want to thank you for your question. I want to thank you all for coming today. I want to thank you for support. May God bless you, and may God continue to bless our country.

NOTE: The President spoke at 10:05 a.m. in the Ernst Community Cultural Center Gymnasium. In his remarks, he referred to Robert G. Templin, Jr., president, Northern Virginia Community College; Virginia Attorney General Jerry W. Kilgore;

and G. Reid Lyon, Chief, Child Development and Behavior Branch, National Institute of Child Health and Human Development, National Institutes of Health.

Remarks Following Discussions With Prime Minister Marek Belka of Poland and an Exchange With Reporters

August 9, 2004

President Bush. We'll have two opening statements and two questions per side. I'll call on somebody, and the Prime Minister will call on somebody.

Mr. Prime Minister, welcome. Thank you for coming. We've just had a very good visit, but that's what you would expect when two friends are talking about important issues.

We talked about foreign policy. We talked about economic issues. We talked about the close ties between our respective peoples. And it's my honor to welcome you here, sir. I appreciate your candid observations and appreciate the fact that not only did you serve your nation and frankly, the world, in Baghdad, you've now agreed to serve your nation as the Prime Minister of your country. So welcome here to Washington, DC.

Prime Minister Belka. Well, it's one of a series of very important visits in our dialog. Next month in Warsaw, we're having the beginning of strategic dialog between the United States and Poland. And what happened here was really a beginning of this dialog or at least an introduction to these talks.

We covered a very broad range of issues, from Euro-Atlantic alliance, from the state of relationship between Europe and America, to Middle East, a wider Middle East initiative, and Iraq. We also touched upon our bilateral issues, including our economic cooperation, traveling, and so on and so on.

Well, it's almost unbelievable how we could squeeze so many issues in a relatively short conversation. It was a very good conversation, very good exchange of opinions. And, well, it sets ground for further cooperation and further good, good talks between our people and ourselves.

President Bush. Good job.

We'll start off with Hunt [Terence Hunt, Associated Press].

Iraqi Insurgents in Najaf

Q. Mr. President, U.S. forces have been fighting for 5 days in Najaf against the militia of Muqtada Al Sadr. The U.S. once said it was going to capture or kill him. What's our policy now?

President Bush. Our policy is to work with Prime Minister Alawi and support the Iraqis as they move toward elections. Our troops were engaged against Sadr's militia, and so were the Iraqis. And it appears that we're making pretty good progress about stabilizing Najaf. But Prime Minister Alawi is now in charge of the country. He is a good, strong leader who cares deeply about the aspirations of his people, and he is somebody we're working with. And if he's got some suggestions to make, we're more than willing to listen to him. That's why Ambassador Negroponte is there, and the Ambassador will interface with the Iraqi government at their request.

Polish Forces in Iraq

Q. Mr. President, Polish Government is going to significantly reduce number of Polish troops in Iraq early next year. Did you ask Polish Prime Minister not to do that? And could you both comment on the fact that 73 percent of Poles are opposed to Polish military presence in Iraq?

President Bush. I'll be glad to talk about opinion polls. I try to make my decisions based upon what I think is right. And removing Saddam Hussein from power was the right thing to do. The world is safer for it, and the American people are safer for it. The Polish people are safer for it, and the Iraqi people are better off because of it.

And I'll let the Prime Minister talk about troops. The Poles have been great allies. When we first went in to enforce the demands of the free world after Saddam Hussein once again defied the demands of the free world, Polish special forces were right there. And they performed brilliantly. They're great troops, and they're a great credit to the people of Poland.

And then when the—it became apparent we would need stabilizing forces to help this